

## II. REMARKS

In response to the Office Action mailed 17 September 2007, the Examiner is requested to reconsider the application in view of the following remarks. Generally, it is believed that the amendment adds no new matter. The amendment and new claims are supported by the originally filed claims and FIG. 3, e.g., elements 38, 54, 34, and 32, and Fig. 2.

Applicant wishes to express appreciation for the helpful interview of 7 November 2007. The following constitutes the statement as to the substance of the Interview.

Respectfully, and generally for the reasons set forth below, the rejections and each ground therefor are traversed.

In paragraphs 2-10 of the Office Action, claims 1, 8-11, and 19-24 have been rejected pursuant to 35 U.S.C. Sec. 102. The Office Action contends that each and every element of these claims is anticipated by Hinckley for reasons set out in the Office Action. The Office Action refers to Hinckley, Col., 1, lines 34-57.

In response, the rejection is respectfully traversed because at least one claim element has not been shown as disclosed or suggested in the prior art. The cited lines in Hinckley do not teach the owing, accounting, cash flows, or net settlement as claimed. In particular, attention is respectfully drawn in Hinckley to Col., 1 lines 34-57, to confirm that Hinckley does not teach or suggest the claimed

... a first party... owing the expected cash flows to a second party...

(in combination with)

...the second party owing the actual cash flows to the first party...

(in combination with)

...computing a net settlement... to manage the actual cash flows and the expected cash flows

(in the context of the claims as a whole) because Hinckley's parties and what they owe do not correspond to the claim elements.

Hinckley is a "system for preventing cash flow losses for an insured" (abstract).

Hinckley's Field of Invention mentions insuring a specified cash flow, and Hinckley's Background of Invention) discusses cash flow with reference to receivables, e.g., in the health care industry where government players can be dilatory in making payments (as is more precisely set out in the Office Action).

As exemplified in Hinckley, presumably a first party to the transaction (the government) would be owing the expected cash flows to a second party to the transaction (health care company), i.e., payment for services rendered. However, Hinckley does not teach or suggest that there would be the second party (the health care company) owing the actual cash flows to the first party (the government) (in the context of the claims as a whole). Thus, claim 1 as a whole is not disclosed or suggested by Hinckley.

The health care company can utilize the Hinckley system to obtain insurance for the cash flow corresponding to the receivables. In this circumstance, presumably a first party to the transaction (the insurer company) would make a payment to settle an insurance claim, i.e., the payment corresponding to "The periodic liability limit 218 is the maximum value of cash flow losses that the insurer will pay to the insured during any single cash flow period 214..." (Col. 3, lines 35-40). After the insurance payout has been made, and a receivable is collected by the health care company, there is a "recapture amount" Col. 6, line 17, etc. conveyed by the health care company to the insurance company. In this situation (an insurance payout followed by a receivables collection), there are no two parties owing as claimed, and thus there is no basis to form a basis for the net settlement that is also required in the claim 1. Thus, under no circumstance does Hinckley teach or suggest the combination

**... a first party... owing the expected cash flows to a second party...**

(in combination with)

**...the second party owing actual cash flows to the first party...**

(in connection with the claims as a whole).

Accordingly, there is no disclosure of

**...computing a net settlement... to manage the actual cash flows and the expected cash flows**

or either of the **accounting** steps.

With further regard to the rejection, the cited art also does not disclose or suggest the **cash flows** (plural) as recited.

Because at least one claim element has not been shown in Hinckley, claim 1 and its dependent claims cannot be rejected as anticipated pursuant to 35 U.S.C. Sec. 102.

In paragraphs 11-24 of the Office Action, claims 2-7, 12-18, and 25-32 have been rejected pursuant to 35 U.S.C. Sec. 103. The Examiner contends that these claims would have been obvious based on Hinckley in view of Kelly.

In response, the contention and rejection is respectfully traversed. First, the obviousness rejection is premised on the contended anticipation of claim 1 based on Hinckley, and as discussed above, certain requirements of the independent claim 1 are not shown in the cited art. The addition of Kelly does not remedy the above-discussed deficiency.

Further, the Office Action at Para. 13 relies on Kelly's Fig 1, but Kelly's Fig. 1 does not teach or suggest the claimed

**receiving respective description of risks....insurable risk...**

This claim element (as recited in claims 2 and 3) also is not disclosed elsewhere in Kelly, e.g., not as contended at Col. 6, lines 5-42.

In addition, if the rejection is maintained, Applicant respectfully requests, pursuant to 35 U.S.C. Sec. 132, information as to the purported reason to combine. The Office Action states, at Para. 13, that "including these features would enable to offset employee benefit expense." Applicant does not understand the contention and requests clarification as to how or by what manner the features would offset employee benefit expense. As stated in the Office Action, the reason to combine is not sufficiently clear for Applicant to determine the propriety of the reason.

In sum, it is respectfully submitted that the claims have not been shown to be prima facie unpatentable over the cited art, and the application is believed to be in condition for allowance. Also, the new claims are believed to be patentable for reasons including those provided above. Favorable action is respectfully requested. The Examiner is invited to contact the undersigned at the telephone number set out below if it can in any way expedite or facilitate issuance of a patent on the application.

The Commissioner is hereby authorized to charge any fees associated with the above-identified patent application, or credit any overcharges to Deposit Account No. 50-0235, and if any extension of time is needed to reply to said Office Action, this shall be deemed a petition therefore.

Please direct all communication to the undersigned at the address given below.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'PK Trzyna', followed by a horizontal line.

Date: December 10, 2007

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